IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

INCOME TAX REFERENCE No 153 of 1994

For Approval and Signature:

Hon'ble MR.JUSTICE M.S.SHAH Sd/-
and
Hon'ble MR.JUSTICE D.A.MEHTA Sd/-

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1. Whether Reporters of Local Papers may be allowed to see the judgements? : NO

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

COMMISSIONER OF INCOME-TAX

Versus

BILESHWAR KHAND UDYOG KHEDUT SAHAKARI MANDLI LTD.,

Appearance:

MR MH JOSHI FOR MR MANISH R BHATT for Applicant.

MR RK PATEL for Respondent.

CORAM : MR.JUSTICE M.S.SHAH
and
MR.JUSTICE D.A.MEHTA

Date of decision: 06/11/2001

ORAL JUDGEMENT

(Per : MR.JUSTICE M.S.SHAH)

In this reference at the instance of the revenue, the following question has been referred for our assessment in respect of assessment years 1984-85 and 1985-86 :

"Whether, the Appellate Tribunal is right in law and on facts in deleting the addition in respect of guest house expenses which according to the ITO was expressly disallowable u/s.37(4) of the Act ?"

2 We have heard Mr.M.H.Joshi, learned Counsel for the revenue and Mr.R.K.Patel, learned Counsel for the respondent-assessee.

3 The Tribunal has relied upon the decision of this Court in the case of CIT vs. Ahmedabad Mfg. & Calico Printing Co. Ltd. 197 ITR 538 for deleting the addition in respect of Guese House expenses. As pointed out to us the aforesaid decision of this Court is followed in a number of subsequent decisions, there is no reason why we should take a different view against the considered view taken by this Court.

4 We accordingly answer the question in the affirmative i.e. in favour of the assessee and against the revenue.

5 The reference stands disposed of accordingly with no order as to costs.

Sd/- Sd/-
(M.S.Shah, J) (D.A.Mehta,J)

m.m.bhatt